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Memorandum

TO: Commission

DATE: July 21, 2010

FR: Executive Director

W. I.

RE: Oakland Airport Connector STIP Funding

There have been recent inquiries regarding the funding for the Oakland Airport Connector (OAC) in the State Transportation Improvement Program (STIP). A letter from Public Advocates was sent to MTC on July 13, 2010, public comment was made during the July 14 Programming and Allocations Meeting and several Commissioners subsequently have been contacted regarding the process involved to fund this project in the STIP. This memorandum is to clarify that the process followed is consistent with the policies and procedures adopted by the Commission.

The 2010 Regional Transportation Improvement Program (RTIP) was adopted by the Commission at its January 2010 meeting (MTC Resolution No. 3938), and submitted to the California Transportation Commission (CTC) for inclusion in the 2010 STIP. The 2010 RTIP contained the projects proposed by the nine Congestion Management Agencies (CMAs) in their individual county submittals to MTC, consistent with the 2010 RTIP policies and procedures adopted by the Commission in October 2009 (MTC Resolution No. 3928).

In developing the STIP, the CTC aggregates the RTIPs submitted by all regions and evaluates how the proposed projects fit within the annual capacity limit as identified in the STIP Fund Estimate. Based on the capacity restrictions, CTC staff reconcile the annual capacity allowances with the proposed RTIP projects. In conjunction with the release of CTC staff recommendations, and adoption of the STIP, CTC staff contact MTC staff to discuss proposed changes to the submitted RTIP.

Although the projects in the RTIP are adopted by the Commission, the CTC is not precluded from making a different decision, given they are the final decision makers with regards to the STIP. The CTC routinely adopts a STIP that is different from the submitted RTIP. MTC Resolution No. 3938 adopting the RTIP specifically authorized the Executive Director to make adjustments to the RTIP project list in consultation with affected CMAs to respond to direction from the CTC.

Regarding the Oakland Airport Connector, the CTC approached MTC staff to facilitate full funding of the OAC using State Highway Operations and Protection Program (SHOPP) funding

identified by the state after the RTIP was submitted. Caltrans and CTC staff determined that while the SHOPP funding was available, it could not be programmed directly to the OAC project due to eligibility restrictions. The CTC requested MTC staff's assistance to find SHOPP related projects that were already programmed in the STIP in order to free up a like amount of STIP funds for the OAC project.

This process took longer than anticipated, and the programming of funds to the OAC project was delayed from the May 20 STIP adoption to the July 1 CTC approval of technical changes to the 2010 STIP. CTC staff made a notation in the STIP staff recommendations that the OAC project was being considered for programming in the STIP, but that additional information was needed to make a recommendation and finalize the programming. After the funding mechanism was finalized the CTC noticed the project as a technical change to the STIP, and approved the change at its July 1 meeting.

Since the July 1 action, CTC has re-noticed the OAC item for action as a STIP amendment at its August 12 meeting in response to concerns expressed by a member of the public that the July 1 action was not adequately noticed. This re-classification of the proposed CTC action from a "technical change" of the action originally adopting the STIP to a "STIP amendment" requires a different response by MTC as the agency submitting the RTIP. While "technical changes" to the STIP adoption can be accomplished with only MTC staff concurrence, a STIP amendment adding a new project requires approval of the MTC Programming and Allocations Committee pursuant to MTC Resolution No. 3928. The next regularly scheduled meeting of the Programming and Allocations Committee in September 8.

We are currently in discussions with CTC staff about whether the CTC will postpone action on OAC until its September 23 meeting or proceed to act conditionally on the STIP amendment on August 12, subject to MTC concurrence on September 8. Time is of the essence because BART staff is seeking to award the OAC construction contract as soon as the outstanding federal New Starts and STIP funds are secured.

We will continue to keep the Commission apprised about developments regarding the OAC project as they occur.

Steve Heminger